

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



REC'D TN
REGULATORY AUTH.

02 MAY 28 PM 12 01

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

MEMORANDUM

OFFICE OF THE
EXECUTIVE SECRETARY

TO: Chairman Sara Kyle
Director Lynn Greer
Director Melvin Malone

FROM: Eddie Roberson, Chief, Consumer Services Division *ER*
Ed Mimms, Manager, Do Not Call Program *EM*
Lynn Questell, Counsel *LQ*

DATE: May 28, 2002

SUBJECT: Settlement with Metropolitan Property and Casualty Insurance Company
(Docket No. 02-00466)

Attached is a Settlement Agreement between the Consumer Services Division ("Staff") and Metropolitan Property and Casualty Insurance Company ("MetLife") for an alleged violation of the Tennessee Do-Not-Call Telephone Sales Solicitation statute, TCA § 65-4-401 *et seq.* MetLife registered with the Authority's Do Not Call Program on June 11, 2001. This is the second time MetLife has been before the Authority concerning Do Not Call violations. On December 18, 2001, MetLife paid \$4,000 to settle three (3) Do Not Call violations.

One (1) new complaint has been registered against MetLife with the Authority alleging that the company violated TCA § 65-4-401 *et seq.* The Authority has not received any additional Do Not Call complaints against MetLife since January 25, 2002. This Settlement requires MetLife to make a payment of \$2,000 to the Authority along with assurances from the Company that it will fully comply with applicable state law. To ensure future compliance, MetLife has mailed to its independent agents operating in Tennessee a letter reminding them of the Tennessee Do Not Call statute (see exhibit to Settlement). The terms of this Settlement require MetLife to pay \$2,000 to the Authority no later than thirty (30) days from the date the Authority ratifies the Settlement. A representative of MetLife will be available telephonically for the June 11, 2002 Conference to answer any question you may have.

Considering all relevant facts including the Company's size, financial status, good faith response to the Authority's investigation and the gravity of the violations, the Staff believes the terms of this Settlement are fair and reasonable and should have the result of no additional telemarketing complaints being filed against MetLife. Staff submits the attached Settlement Agreement for your deliberation at the June 11, 2002 Authority Conference.

cc: David Waddell, Executive Secretary
Richard Collier, General Counsel
Leslie A.E. Battle, Counsel for MetLife

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-8953
www.state.tn.us/tra

BEFORE THE TENNESSEE REGULATORY AUTHORITY**NASHVILLE, TENNESSEE**

IN RE:

ALLEGED VIOLATIONS OF TENN.
CODE ANN. §65-4-401 *et seq.*, DO-NOT-
CALL SALES SOLICITATION LAW,
AND RULES OF TENNESSEE
REGULATORY AUTHORITY, CHAPTER
1220-4-11, BY:

METROPOLITAN PROPERTY AND
CASUALTY INSURANCE COMPANY

DOCKET NO. 02-00466

DO-NOT-CALL PROGRAM
FILE NUMBERS T02-00043

SETTLEMENT AGREEMENT

This Settlement Agreement has been entered into between the Consumer Services Division ("CSD") of the Tennessee Regulatory Authority ("TRA") and Metropolitan Property and Casualty Insurance Company ("MetLife Auto & Home" or the "Company"). This Settlement Agreement, which pertains to one (1) complaint received by the CSD alleging that MetLife Auto & Home violated the Tennessee Do-Not-Call Telephone Sales Solicitation law and its concomitant regulations, TENN. CODE ANN. § 65-4-401, *et seq.*, and TENN. COMP. R. & REGS. 1220-4-11.07, is subject to the approval of the Directors of the TRA.

TENN. CODE ANN. § 65-4-404, and TENN. COMP. R. & REGS. 1220-4-11.07(1), prohibit persons from knowingly making or causing to be made telephone sales solicitation calls to residential subscribers in this state who have given timely and proper notice to the TRA of their objection to receiving telephone solicitations.

APPROVED
MetLife Auto & Home
Law Department
By [Signature]
Date: 5/14/02

The CSD's investigation in this docket commenced after it received a complaint on January 25, 2002, alleging that the complainant, a person properly listed on the Do-Not-Call register, received a telephone solicitation from MetLife Auto & Home on January 16, 2002. The CSD provided MetLife Auto & Home with notice of this complaint on January 31, 2002.

This notice was not the first contact between MetLife Auto & Home and CSD. In 2001, the CSD received three (3) complaints from Tennessee consumers properly registered in the Do Not Call Program alleging that MetLife Auto & Home had violated Tenn. Code Ann. § 65-4-404. The CSD investigated the complaints and contacted MetLife Auto & Home. Through its parent company, the Metropolitan Life Insurance Company, MetLife Auto & Home registered with the TRA as a telephone solicitor on June 11, 2001.

The CSD and MetLife Auto & Home ultimately reached an agreement to settle the three (3) complaints, which were incorporated into TRA Docket No. 01-00917. The Settlement Agreement of Docket No. 01-00917 required MetLife Auto & Home to pay \$4,000 within thirty (30) days of the Directors' approval of the Settlement Agreement and to fully comply with applicable state law. On November 28, 2001, MetLife Auto & Home sent to the Authority \$4,000 in payment of the settlement amount. The Directors approved the Settlement Agreement in TRA Docket No. 01-00917 on December 18, 2001 and that determination was memorialized in an Order issued on January 23, 2002.

TENN. CODE ANN. § 65-4-405(f) authorizes the TRA to assess penalties for violations of the Tennessee Do-Not-Call statutes, including the issuance of a cease and desist order and the imposition of a civil penalty of up to a maximum of two thousand

dollars (\$2,000) for each knowing violation. The maximum fine faced by MetLife Auto & Home in this proceeding is two thousand dollars (\$2,000), arising from the single telephone solicitation.

In negotiating this Settlement Agreement, CSD relied upon the factors stated in TENN. CODE ANN. § 65-4-116(b), including the Company's size, financial status, good faith, and the gravity of the violation. MetLife Auto & Home is located in Warwick, Rhode Island with offices located throughout Tennessee. It employs approximately thirty-four (34) persons in the state of Tennessee. During the investigation of the complaint, MetLife Auto & Home exhibited good faith in its efforts to resolve this matter. After receiving notice of the complaint, MetLife Auto & Home immediately contacted the CSD, did not dispute that the call was made and expressed an interest in resolving this matter. MetLife Auto & Home is registered in the Tennessee Do Not Call Program and receives a monthly copy of the Do-Not-Call register. At the request of the CSD, MetLife Auto & Home reviewed its corporate training policies and telemarketing policies. MetLife Auto & Home agreed to issue the memorandum attached hereto as Exhibit A to all its agents and employees conducting business in Tennessee to reiterate the implications of Tennessee law.

In an effort to resolve these complaints, represented by the file numbers above, CSD and MetLife Auto & Home agree to settle this matter based upon the following acknowledgements and terms, subject to approval by the Directors of the TRA:

1. MetLife Auto & Home does not dispute that the complaint against it is true and valid and that it acted in violation of TENN. CODE ANN. §65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1).

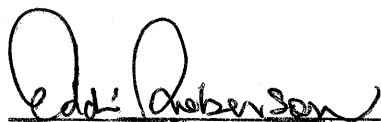
2. Since receiving notice of the complaint that is the subject of this Settlement Agreement, MetLife Auto & Home has exhibited good faith in its efforts to come into compliance with TENN. CODE ANN. § 65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1). MetLife Auto & Home contacted CSD and expressed an interest in resolving this matter. Through its parent company, MetLife Auto & Home registered with the TRA as a telephone solicitor on June 11, 2001, and receives a monthly copy of the Do-Not-Call register.
3. MetLife Auto & Home agrees to pay two thousand dollars (\$2,000.00) in settlement of the complaint, and agrees to remit that amount to the TRA Office of the Executive Secretary no later than thirty (30) days after the date the Directors of the TRA approve this Settlement Agreement.¹
4. MetLife Auto & Home has incorporated into its practices the requirement that agents and employees be familiar with the Tennessee Do-Not-Call statute. On April 12, 2002, MetLife Auto & Home disseminated the memorandum reflecting this requirement attached hereto as Exhibit A to all its agents and employees conducting business in Tennessee. In a May 13, 2002 letter attached hereto as Exhibit B, MetLife Auto & Home provided written notification to the TRA that it had disseminated Exhibit A to all its agents and employees conducting business in Tennessee on April 12, 2002.
5. MetLife Auto & Home agrees to comply with all provisions of the Tennessee Do-Not-Call Telephone Sales Solicitation law and regulations. Upon payment of the amount of two thousand dollars (\$2,000.00) and full compliance with the other terms

¹ The payment may be made in the form of a check, payable to the Tennessee Regulatory Authority, sent to 460 James Robertson Parkway, Nashville TN 37243, referencing TRA Docket Number 02-00466.

and conditions of this Settlement Agreement, MetLife Auto & Home is excused from further proceedings in this matter.

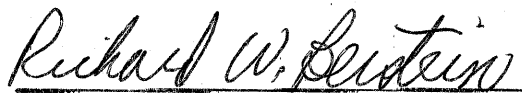
6. If any clause, provision or section of this Settlement Agreement shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause provision or section of this Settlement Agreement and this Settlement Agreement shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not been contained herein.
7. This Settlement Agreement represents the entire agreement between the parties, and there are no representation, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Settlement Agreement which are not fully expressed herein or attached hereto.
8. MetLife Auto & Home agrees that a company representative will participate telephonically in the Authority Conference during which the Directors consider this Settlement Agreement.

9. In the event that MetLife Auto & Home fails to comply with the terms and conditions of this Settlement Agreement, the Authority reserves the right to re-open this docket.
- MetLife Auto & Home shall pay any and all costs incurred in enforcing the Settlement Agreement.



Eddie Roberson
Chief, Consumer Services Division
Tennessee Regulatory Authority

5-28-02
Date



Signature

Richard W. Bernstein
Print Name

Vice President, Secretary, General Counsel
Print Title

5/20/02
Date

MetLife® Auto & Home

To Independent Agents in Tennessee
From MetLife Auto & Home, Independent Agent Organization
Date April 11, 2002
Re **Reminder: Mandatory Compliance with Tennessee's Do-Not-Call Law.**

All Independent Agents who make outbound telemarketing calls in Tennessee are **required** by state law to verify that their prospects are NOT listed on the state's "Do Not Call" (DNC) Register.

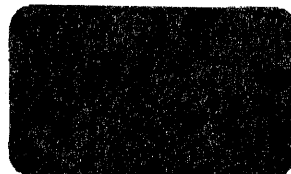
This matter is **extremely** important. Violators are subject to state fines of up to \$2,000 for each call to any prospect who appears in the DNC Register. The Tennessee Regulatory Authority (TRA) is actively pursuing violators. Your agency will be held accountable.

Each agency is responsible for registering with the TRA and for maintaining an official version of the Register. See the TRA's web site: <http://www2.state.tn.us/tra/nocall.htm> or call the TRA at 1-615-741-2904 or 1-800-342-8359. The web site provides a comprehensive explanation of the DNC rules and regulations, and instructions for registering with the TRA to get access to the DNC Register.

Your agency has a legal and ethical responsibility to comply with all state laws and regulations. Furthermore, compliance with the law is an express term of the MetLife Auto & Home Independent Agency Agreement. MetLife Auto & Home has the right to immediately terminate an Agreement for material default of any obligations thereunder, including illegal activities of any kind – whether involving the business of insurance or not – and for violations of the terms of the Agreement. Suspension, rather than termination, is an alternative. During the suspension, the agent has no authority to receive and accept proposals of insurance or to bind the Company on coverages.

This bulletin is provided for your information only and is not to be construed as legal advice. If you still have questions, please contact your MetLife Auto & Home Marketing Manager or your agency's attorney.

Originator: Leslie Battle, MetLife Auto & Home, Law & Compliance



MetLife Auto & Home is a brand of Metropolitan Property and Casualty Insurance Company and its Affiliates, Warwick, RI.

Independent Agent Field Bulletin

APPROVED
MetLife Auto & Home
Law Department
By: *[Signature]*
Date: 5/14/02

MetLife® Auto & Home

700 Quaker Lane, P.O. Box 350, Warwick, RI 02887

May 13, 2002

Ms. Lynn Questell
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: 02-00466

Dear Ms. Questell:

This letter follows up on our recent conversation relating to the settlement of the above referenced docket number. In our conversation, you requested that we confirm in writing that we had delivered the notice included in the Settlement Agreement as Exhibit A to our agents and employees in Tennessee.

To reiterate the contents of our April 12, 2002, e-mail to you:

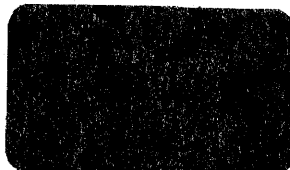
"As we discussed, attached please find our exhibits for your settlement documents. The field bulletin (in color) below relates to Tennessee's restrictions on telemarketing and was released using Lotus Notes (e-mail) as part of our weekly MLFS (MetLife Financial Services) Times publication, on Friday, April 12, 2002. Just in case the agents did not read the publication, the content was e-mailed separately to each Tennessee PCS (Property and Casualty Specialist) representative, as well as to an advanced distribution list of corporate home office managers, Property and Casualty Specialist management, Field Sales Development (training) management, IA (independent agent) Marketing Managers, and to Market Strategists (non-sales, but regional strategic planning coordinators). Even though we do not accept respondeat superior responsibility for IAs, since they are independent contractors, nevertheless, an IA version was mailed today as well, since we do not communicate with them by e-mail (see Word attachment). The bulletin will also be posted next week in the Communications section of the Agent Resource Site, our electronic desktop for all agents. Agents access ARS to quote and submit applications and to learn company policy/employee handbook type information. We are confident that as a result of these diligent methods, we have achieved the widest distribution of this message to our employee and agent force in Tennessee. In addition, all recipients have been instructed to forward the information to anyone who would find this information useful."

If you need anything else, please do not hesitate to call.

Sincerely,

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

By: Leslie Battle
Leslie Battle
Counsel
(401) 827-2379



APPROVED
MetLife Auto & Home
Law Department
By: *[Signature]*
Date: 5/14/02